(b) if so, whether any concrete formula has been prepared by Banks and if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The commercial banks are under instructions of Reserve Bank of India (RBI) for providing relief measures in the areas affected by natural calamities viz. drought and floods etc. Taking into consideration the damages suffered by the farmers, trade, business and industry in different flood affected districts of Punjab after a visit of Central Team the Government have advised Punjab National Bank, convenor for Punjab and other banks having large presence in the State to implement the following measures to provide assistance to flood affected people in the State of Punjab.

(i) To provide timely and adequate credit to flood affected persons.

(ii) To reschedule existing loans and to provide fresh finance on need based requirements.

(iii) To form a Task Force at Chandigarh consisting of the representatives of the banks and the State Government to take concerted quick and timely action on various requirements.

As regard Haryana, Central Team of the Government of India recently visited the State for assessing the damages suffered by the farmers, trade, business and industry in the different flood affected districts of Haryana. A meeting of the State Level Bankers Committee (SLBC) has been held in which the damages caused by the flood was assessed. National Bank for Agriculture and Rural Development (NABARD) and the State Government have interacted. The extent guidelines of RBI envisage *inter-alia* conversion of short term production loans into medium term loans, reschduling/ postponement of term loan instalments and provision of additional need-based crop/investment loans. *Banks are required to provide assistance* in accordance with the guidelines issued by RBI depending upon the merits of each case.

Loans through SIDBI

2605. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have formulated any policy for financial assistance through Small Industries Development Bank of India to Small Scale Industries; if so, what are the details thereof;

(b) whether it is a fact that besides financial assistance there have been grievance of small scale manufacturers against the State Government policy; and

(c) if so, whether Government propose to appoint a Committee and bring parity in the policy of all State facilitate loans through SIDBI'?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The Small Industries Development Bank of India (SIDBI) was set up in April, 1990 as a principal financial institution for promotion, financing and development of industry in the small scale sector and to co-ordinate the functions of the institutions engaged in such activities, SIDBI has been providing assistance for the growth of small scale industries under its refinance *schemes through SECs/SIDCs and* banks. Beside, it has also been extending assistance under Bills Rediscounting Scheme. Direct Discounting

Scheme for Equipment and Components and Direct Assistance Schemes for Marketing Development and Infrastructure Ancillary and Subcontracting units.

(b) and (c) SIDBI being an All India Institution, formulates its policies and procedures which are applicable uniformly all over the country. The operations of SFEs are reviewed periodically by their Board of Directors. IDBI & SIDBI hold annual business plan and resource forecast discussion with SFCs. Further a team of officials of IDBI visit SFCs each year and review their operations for taking necessary remedial action by all concerned on the recommendations/ suggestions made.

Resource crunch being faced by MP Coop Financial Institution

2606. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to state:

(a) whether Cooperative Financial Institutions in Madhya Pradesh are facing serious resource crunch on account of poor loan recoveries;

(b) if so, what are the details thereof;

(c) whether any penal action has been taken against defaulters; and

(d) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The National Bank for Agriculture and Rural Development (NABARD) has reported that Madhya Pradesh Land Development Bank is having resource problems due to poor loan recoveries. The recoveries in cooperative credit structure were down by at least 10 to 15 percentage due to crop damages in certain districts and also due to State Government's publicity through press etc., for postponement of bank loan dues. Due to the poor recovery performance, the SLDB failed to meet the commitment to NABARD in repayment of dues on due dates. As a part of the financial discipline, NABARD does not provide any refinance assistance to the defaulting banks. The Madhya Pradesh State Land Development Bank (MPSLDB) defaulted a sum of Rs. 17.15 crores on 30.6.93 to NABARD.

(c) and (d) As per the information available, the position of filing cases under Section 14 (attachment of movalbe property) and Section 18 (attachment of immovable property) of MPSLDB Act during the last 4 years was as under:

(Amount in lakhs of Rs.)

Cooperative Year	Recovery of loans			
	Under Section 14 of MPSLDB		Under Section 18 of MPSLDB	
	No. of cases	Amount	No. of cases	Amount
1988-89	22442	378.86	22811	711.18
1989-90	5983	154.56	1957	117.81
1990-91	38498	985.80	33585	1370.09
1991-92 (31-3-1992)	19531	640.06	15989	505.83